

TARGETING

How PR Builds Value In Real Estate

MARKETS

- by Harry Zlokower

Not long ago, a national commercial real estate firm, trying to enter the New York market, ran into trouble.

The national firm had acquired a venerable but failing New York firm, but encountered resistance when they tried to change it. The national firm wanted to develop sophisticated and analytic techniques and emphasize cooperation and information-sharing between brokers. The entrenched managers wanted no part of this plan.

The national commercial real estate firm brought in a non-broker manager from within its ranks to turn things around. The first thing he did was to hire a public relations firm who soon after arranged an exclusive interview with Crain's.

The resulting story described the new manager's turnaround plans, leaving little doubt that the New York firm was back on a growth track. The public relations firm followed up with an aggressive media campaign of press releases, executive by-lined articles, profiles, and interviews. Ensuing articles described the New York firm's property management, appraisal, industrial, retail and research operations. The non-broker manager was positioned as an industry thought-leader.

The crisis passed. The New York firm became healthy and is now a vital part of one of the country's largest and best known commercial real estate firms.

There is no doubt things might have turned out differently had not the new manager had the foresight to use public relations—an often under appreciated, unheralded tactic that enables businesses to get their messages out to the right people in a quick, economic and credible manner.

Public relations, like advertising, relies heavily on the mass media. Unlike advertising, however, public relations attempts to communicate through the more credible editorial side of the media, a tactic which, while engendering some risk, can reap huge benefits in communication and significantly influence public opinion.

A developer about to sell a site he has worked hard to assemble and zone learns he is about to be the focus of an investigative article. The story could kill his deal so he employs a public relations professional to communicate his side of the story to the reporter. The resulting article is much less accusatory and damaging than feared and does not ruin his deal.

A fledgling commercial real estate firm, striving to build a national reputation among Fortune 500 companies, persuades a new large corporate client to let it announce their relationship. The tactic succeeds, many more clients follow and the commer-

Zlokower Company recently arranged for CRG Realty Capital to speak at The National Realty Club on "trends in boutique hotel finance." Based in Englewood, N.J., CRG advises developers and investors on arranging equity and debt capital and structuring transactions. (pictured left to right) Jonathan Bloomberg, executive vice president, CRG, Gail Horowitz, vice president, Zlokower Company, Harry Zlokower, president, Zlokower Company, Mitchell Adelstein, president, CRG, and Ron Gershoni, vice president, CRG.



cial real estate firm takes off.

A sales brokerage firm uses public relations to announce its interest in off-market transactions. A developer of a new office building tries to have a newly launched property showcased with photos on the news pages of The New York Times and New York Post.

Public relations has many faces but the one common denominator is credibility and targeted communication. If an owner, developer or broker has something of substance to say or show and is willing to withstand the scrutiny and evaluation of a journalist, then the chances of getting their message out to a targeted market are high.

That does not mean a company is expected to deliver raw information to journalists to mold in any way they wish. To the contrary, a well organized public relations approach requires a discipline and method designed to maximize message and minimize negative, useless information.

In a typical approach the company and their public relations professionals agree on a set of objectives they want to achieve. They then articulate the key messages they want to communicate and identify the publics or decision-makers who will receive their messages.

For example, a developer is about to market spanking new office space in a competitive midtown neighborhood. The objectives of his or her program are to lease that space at a certain price within a certain time frame. Messages are developed to differentiate and describe the attractiveness of the office space. The decision-makers or publics are identified as service companies, corporate headquarters, branch offices, foreign consulates and brokers.

Next comes the execution—achieving press coverage. There are several steps. First story lines—ideas for journalists—have to be developed. An obvious one is the fact that the building is new. But there are other story lines that can entice the media and bring attention to the building. Each new lease is worth a press release. Perhaps there is something special about the building. Rudin Management went ahead of the pack when they launched a “smart” building at 55 Broad Street in the late 1990s. They used



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a good public relations strategy to get the message out to the right people.

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Once story lines and targeted media have been identified copy or text must be prepared and meet the approval of both the real estate and the public relations people. This can be challenging because the real estate people prefer to think about the selling features of the building, while the public relations people need to consider the needs of the editors they are trying to impress. In other words, what is newsworthy about this story?

Using our new office building as the example we must ask ourselves why this building should be covered in the media, not what is great about it. The public relations practitioner will try to get “sell messages” in the copy, but “sell messages” will first have to take a back seat to good story lines. Once the editor or journalist has bought the story line, it will be possible—through interviews, photos, conversations, guided tours—to impress them with how wonderful the building is.

The end result of this campaign—and do not expect miracles to happen overnight—is publicity, plenty of it, in the right publications extolling the virtues of the new building and letting the market know it exists.

Public relations is a powerful tool for commercial real estate. An article or mention in the Wednesday or Sunday New York Times or Tuesday or Wednesday real estate columns of The New York Post or real estate columns of Crain’s or Wall Street Journal can open doors for properties and deal makers. The right presentation to an inquiring journalist can reinforce the intended message and often deflect potentially

damaging and unwanted coverage. The key is to be disciplined and professional and more often than not good public relations results will follow.

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